Consensus on VAT

179. SHRI R.P. GOENKA:
SHRI PRANAB MUKHERJEE:
SHRI P. PRABHAKAR REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether any consensus has been arrived at in regard to the introduction of Value Added Tax;

(b) if the answer to part (a) be in the affirmative, by when the VAT is to be operationalised; and

(c) whether adequate infrastructure has been created at the State level and if not, by when States will be ready with well-equipped implementation machinery?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) In the meeting of Chief Ministers of States/UTs held on 16.11.1999, all States/UTs had unanimously agreed to replace their existing Sales Tax System with a Value Added System.

(b) The road map for operationalisation of Value Added Tax is a decision to be taken by the Empowered Committee of State Finance Ministers on Sales Tax reforms.

(c) Under Entry 54 of List II (State List) of the Seventh Schedule to the Constitution, tax on sale or purchase of goods is a State subject. Value Added Tax is to replace the exisiting sales tax system in the States and UTs. Hence, each individual State has to build its own infrastructure and machinery in this regard.

Guarantees to State Undertakings

180. SHRI SURESH PACHOURI:
SHRI PRANAB MUKHERJEE:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that many of the State Governments are providing guarantee to the State undertakings without effective scrutiny;